**Cost of production of crude oil**

†4272. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that production of the crude oil in the country is primarily undertaken by Oil and Natural Gas Corporation, a public sector oil company;

(b) if so, whether Government have made any assessment of the cost of production by this company;

(c) if so, the average production-cost in the years 2000-01 and 2004-05; and

(d) the maximum and minimum production-cost at various sites by this company during the said years?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (b) The major share of crude oil production in the country is from the Oil and Natural Gas Corporation Limited (ONGC). The cost of production of oil is one of the areas assessed during the periodic review of the performance of ONGC undertaken in the Ministry.

(c) As the annual accounts of ONGC for 2004-05 are yet to be finalized, the cost of production of oil for this period has not yet been computed. However, the average cost of production of oil for ONGC for the years 2000-01 and 2003-04 were Rs. 4063/MT and Rs. 5496/MT respectively.

(d) The cost of production of oil varies from one project to another due to factors like location and topography of the projects, characteristics of the fields in these locations, etc. resulting in variations in manpower cost, overheads, repairs and maintenance, expenditure on survey and dry wells, depletion, etc.

For the year 2000-01, the cost of production of crude oil was the lowest in Mumbai Offshore at Rs. 3763/MT, whereas the cost of production of crude oil was the highest in Assam at Rs. 6298/MT.

For the year 2003-04, the cost of production of crude oil was the lowest in Mumbai Offshore at Rs. 4979/MT whereas the cost of production of crude oil was the highest in Assam at Rs. 9021/MT.

†Original notice of the question was received in Hindi.